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SUBJECT: SEOUL - PRESS BULLETIN; November 16, 2009

TOP HEADLINES

Chosun Ilbo
ROKG Has Contacted Companies
Since Early This Year to Discuss Sejong City

JoongAng Ilbo
Birthrate Crisis Forces Tougher Stand on Abortion

Dong-a Ilbo
Survey: 73 Percent of Respondents Say
They "Will Not Buy American Cars Even
if Prices Fall 10 Percent"

Hankook Ilbo
Eight Japanese Tourists among Dead
in Indoor Shooting Range Fire

Hankyoreh Shinmun
Broadcasting and Communications Commission Chairman
Choi Si-jung Primarily Responsible for
"Illegally Controlling Broadcasting"

Segye Ilbo
ROKG Overflows with Various Special Zones,
Innovative and Business Cities

Seoul Shinmun
ROKG Making All-out Effort to Attract Companies
to Sejong City

DOMESTIC DEVELOPMENTS

According to a military source, North Korea yesterday briefly activated its radar systems for surface-to-ship missiles at a western coastal site, prompting ROK navy ships to move to safer areas. (All)

ROK conservative groups will hold a massive rally on Nov. 19 to call for a delay in transferring wartime operational control from the U.S. to the ROK. This rally is timed to coincide with President

Barack Obama's visit to Seoul. (Chosun)

INTERNATIONAL NEWS

President Obama, during a Nov. 15 APEC summit in Singapore, unveiled his new Asia policy that acknowledged China as a partner and urged Asian countries to stop being dependent on exports to the U.S. (JoongAng, Hankyoreh)

President Obama also said in a Nov. 14 speech in Japan that the U.S. is ready to provide a different future to North Korea if the North gives up its nuclear ambitions. (Hankook, Hankyoreh)

"Conciliatory Gesture Ahead of Bosworth's Visit to Pyongyang?:"According to a diplomatic source in Washington, the White House has replaced Philip Goldberg, Coordinator for the Implementation of UN Sanctions on North Korea, by naming him as Assistant Secretary at the Bureau of Intelligence and Research. (Chosun)

MEDIA ANALYSIS

U.S.-Asia: Pres. Obama Speech in Japan, APEC Summit

All ROK media today covered President Barack Obama's Nov. 14 speech

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in Japan, in which he outlined his "new Asia policy" and demonstrated his solidarity with Asia by calling himself "America's first Pacific President."

President Obama was widely quoted: "Working in tandem with our partners, and supported by direct diplomacy, the U.S. is prepared to offer North Korea a different future (if it abandons its nuclear ambitions.) We will not be cowed by threats, and we will continue to send a clear message through our actions, and not just our words."

Right-of-center JoongAng Ilbo editorialized: "(President Obama's speech) is a landmark one, since it stresses cooperation and solidarity with Asia, which is emerging as the center of the world. We truly hope that President Obama will deliver on the visions he presented in his speech, which notably feature his balanced thoughts and approaches."

Conservative Dong-a Ilbo's editorial argued: "While talking about Asia-focused policy, President Obama mentioned North Korea policy. ... This carries all the more weight because President Obama presented the resolution of the North Korean nuclear issue as part of his efforts to carry out Asia-focused policy. ... It is up to North Korea whether it remains in isolation by holding on to its nuclear weapons or embraces a new future. North Korean leader Kim Jong-il should take President Obama's statements seriously and make a wise choice."

Left-leaning Hankyoreh Shinmun, meanwhile, carried an editorial entitled "Need to Deal Proactively with Obama's Policy of Valuing China." It stated: "President Obama made it clear that the U.S. has no intention of checking China by saying, 'Cultivating spheres of cooperation with China - not competing spheres of influence - will lead to progress in the Asia Pacific.' This means that the U.S. practically acknowledged China as the world's second superpower and expressed its intention to expand cooperation with China not only on political, economic and environmental issues but also on the military issue."

1N. Korea

Carrying the headline, "Conciliatory Gesture Ahead of Bosworth's Visit to Pyongyang?," conservative Chosun Ilbo ran an inside-page report quoting a diplomatic source in Washington as saying that Philip Goldberg, Coordinator for the Implementation of UN Sanctions

on North Korea, has been appointed as Assistant Secretary of the Bureau of Intelligence and Research at the State Department. The report went on to say: "ROKG and USG officials say Goldberg's replacement reflects his personal wish to move to a new post. ... Given that the appointment comes at a time when the USG is considering dialogue with North Korea, however, it could have a positive effect on Special Representative for North Korea Policy Stephen Bosworth's visit to the North."

OPINIONS/EDITORIALS

OBAMA'S VISIT TO SEOUL AND A NEW HORIZON FOR ROK-U.S. RELATIONS
(JoongAng Ilbo, November 16, page 35: Excerpts)

By Former Prime Minister Lee Hong-koo

With the U.S.'s waning political and military influence and the global financial crisis, we are facing common tasks to seek a new world order in an era of multipolarization. At this time, President Obama is emerging as a leader who can open the door to the future for the U.S. and the world.

The international community including the ROK has a shared understanding of the agenda President Obama has proposed for peace and prosperity of mankind. President Obama reaffirmed his commitment to taking the lead over efforts to address the issues of climate change, nuclear proliferation and poverty by recognizing

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them as imminent tasks the international community cannot ignore any longer. This position by President Obama helps enhance U.S. leadership in international politics and brings positive effects to the ROK-U.S. alliance.

Northeast Asia, where President Obama is making a tour, has achieved economic growth at the fastest pace, gaining attention as a new center of international politics and economy. However, Northeast Asia is also riddled with complicated challenges. Even though Hiroshima was (the first city in history) to suffer from an atomic bombing 64 years ago, (North Korea) is threatening nuclear war in order to secure its own regime. Most of all, little progress has been made for the unification of the Korean Peninsula. In a word, the ROK and the U.S. as allies face a rough road ahead.

The ROK is fully committed to playing its role to achieve common goals along with its allies. The ROK has decided to sharply increase its aid to developing countries and is actively participating in international efforts to keep peace in the regions plagued by war and terrorism. The ROK also proactively engages in international efforts to cope with climate change by setting "green growth" as a central axis of its economic policy. This forward-looking approach is based on our belief that a peaceful and fair world order can be achieved through the ROK-U.S. alliance.

The ROK-U.S. alliance is not just a military alliance but a 21st century partnership that guarantees security and prosperity and creates a new productive world order.

President Obama's visit to the ROK will provide an opportunity to demonstrate this future-oriented ROK-U.S. alliance internationally.

NEED TO DEAL PROACTIVELY WITH OBAMA'S POLICY OF VALUING CHINA
(Hankyoreh Shinmun, November 16, 2009, Page 27)

In Japan, the first stop in his tour to Asia, U.S. President Barack Obama announced an Asia policy of prioritizing (the region) and actively participating in Asian issues. One could say this is a reflection of a reality in which the U.S., its power weakening due to last year's global financial crisis, has no choice but to deepen ties with Asia, whose political and economic presence is growing. It was a major foreign policy speech second only to his Prague speech in April in which he called for a world without nuclear

weapons and his June speech in Cairo in which called for dialogue and reconciliation with the Muslim world.

Within Obama's Asia policy, the most eye-catching aspect is the importance he places on China. President Obama made it clear that the U.S. has no intention of checking China by saying, 'Cultivating spheres of cooperation with China - not competing spheres of influence - will lead to progress in the Asia Pacific.' This means that the U.S. practically acknowledged China as the world's second superpower and expressed its intention to expand cooperation with China not only on political, economic and environmental issues but also on the military issue. Not only was this a virtual acknowledgement of the prestige of China, which has risen to become the world's No. 2 superpower, but is also an expression of willingness to further cooperate with China on military issues. This is precisely the reason the world has been watching the conversations being shared between China's leaders and Obama, who kicked off a four-day, three-night visit to China yesterday.

President Obama also revealed his desire to strengthen traditional alliances with South Korea and Japan, and a firm attitude regarding the North Korean nuclear issue. Obama once again stressed the provision of an expanded U.S. deterrence to aid in protecting South Korea and Japan, and called on North Korea to return to the Six-Party Talks and keep its prior commitments, including ones expressed in the Nuclear Non-Proliferation Treaty (NPT). This could not erase the impression, however, that compared to the prioritization of China, the importance of these issues have fallen.

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Regarding the U.S.-China summit, the thing we must pay most attention to is the pending North Korea nuclear issue. The U.S. and China have been leading a line of dialogue since the second half of the year. Next month, Stephen Bosworth, U.S. Special Representative for North Korea Policy, will visit North Korea in an attempt to restart North Korea-U.S. dialogue. Meanwhile, the Lee Myung-bak Administration is still not abandoning its policy of putting pressure on North Korea, and is being pointed to as a source of discord between South Korea and China. The Administration has named Ryu Woo-ik, former Chief Presidential Secretary and a close aide to President Lee, as its new ambassador to China. The Lee government must use this nomination of a powerful figure as ambassador to China to try to create a system of close cooperation with the Chinese government, in which Seoul has a strong voice on not only Korean issues, but on world issues as well.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

PAYING ATTENTION TO OBAMA'S NEW ASIA POLICY
(JoongAng Ilbo, November 16, page 34)

U.S. President Barack Obama delivered a historic speech about the U.S.'s Asia policy at Suntory Hall in Tokyo last weekend. Obama candidly presented his thoughts on almost all issues including: the U.S.'s relations with China, which has emerged as the "G2;" the U.S.'s alliance with the ROK and Japan; the North Korean issue; and the U.S.'s role in East Asia. These are the issues which people in Asia have been wondering about or paying attention to. (President Obama's speech) is a landmark one, since it stresses cooperation and solidarity with Asia, which is emerging as the center of the world. We truly hope that President Obama will deliver on the visions he presented in his speech, which notably feature his balanced thoughts and approaches.

Regarding the U.S.'s relations with China, President Obama announced that the U.S. will "pursue pragmatic cooperation with China on issues of mutual concern" without containing China. He emphasized, "No one nation can meet the challenges of the 21st century on its own," adding, "The U.S. and China will both be better off if we meet (these challenges) together." This signifies that the U.S. will acknowledge China as a partner and seek a pragmatic partnership through cooperation on global issues. However, Obama drew a clear

line on freedom and human rights issues by saying, "The U.S. will never waver in speaking up for the fundamental values that we hold dear because support for human rights and human dignity is ingrained in America."

President Obama said that "a deeper relationship with China" does not mean "a weakening of our bilateral alliances," trying to dispel concerns about U.S.-China relations among the U.S.'s Asia-Pacific allies. This indicates that the U.S. will be committed to the security of its allies such as the ROK, Japan, Australia, Thailand, and the Philippines. In particular, President Obama reiterated that bilateral alliances should be based on equality and mutual respect, being mindful of Japan's Democratic government, which claims it will seek to stand on equal footing with the U.S.

President Obama made his position clear about North Korea. He said, "The path for North Korea to realize this (new) future is clear: a return to the Six-Party Talks; upholding previous commitments, including a return to the Nuclear Non-Proliferation Treaty; and the full and verifiable denuclearization of the Korean Peninsula." He reaffirmed that the U.S. will resolve the North Korean nuclear issue through close cooperation with Six-Party members and will achieve a nuclear-free North Korea.

President Obama announced, "As an Asia-Pacific nation, the U.S. expects to be involved in the discussions that shape the future of this region." In particular, he said that the U.S. looks forward to engaging with the East Asia Summit (EAS), which involves 16 countries including the Association of Southeast Asian Nations

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(ASEAN) members and the ROK, China, India, Australia and New Zealand. This shows that the U.S. is willing to participate in discussions on the East Asia community through the EAS. It is a good sign that the U.S. clarified its position on discussions on East Asia's integration. Obama stressed, however, "One of the important lessons this recession has taught us is the limits of depending primarily on American consumers and Asian exports to drive growth." The ROK and China, which depend heavily on exports, should pay special attention to this remark.

IT IS TIME FOR N. KOREA TO AWAKE TO A "DIFFERENT FUTURE IF IT ABANDONS ITS NUCLEAR AMBITIONS"
(Dong-a Ilbo, November 16, 2009, Page 35)

U.S. President Barack Obama said during his November 14 speech in Tokyo that if North Korea abandons its nuclear development, "the U.S. is prepared to offer North Korea a different future." With U.S.-North Korea bilateral dialogue ahead, this signals that Washington is not only willing to resolve conflicts with the North but is also (prepared) to provide massive aid to the communist state. President Obama emphasized in an earlier interview with Yonhap News, "By taking irreversible steps towards the complete elimination of its nuclear program, North Korea will be following the peaceful path towards security and respect." He presented a way for the North to get out of a total crisis.

President Obama's remarks virtually herald the resolution of the nuclear issue by the leaders of the ROK, the U.S., China and Japan. After visiting Japan and Singapore, President Obama started his three-day trip to China yesterday. He will visit the ROK on November 18-19. President Obama said, "President Lee and I are in full agreement on the need to achieve a comprehensive resolution of the nuclear problem." Now that discussions with Japan are over, the remaining task for Obama is to coordinate stances with China. Saying, "The U.S. does not seek to contain China, nor does a deeper relationship with China mean a weakening of our bilateral alliances," President Obama recognized China as a partner for cooperation. Chinese President Hu Jintao is highly likely to support President Obama's "carrot" policy toward the North.

While talking about Asia-focused policy, President Obama mentioned North Korea policy. Born in Hawaii and raised in Indonesia, President Obama described himself as America's first Pacific President. This carries all the more weight because President Obama

presented the resolution of the North Korean nuclear issue as part of his efforts to carry out Asia-focused policy. He also mentioned "stick" measures. He said that the U.S. will not be cowed by North Korea's nuclear development threats and added, "So long as these weapons exist, the United States will maintain a strong and effective nuclear deterrent that guarantees the defense of our allies - including South Korea and Japan."

It is up to North Korea whether it remains in isolation by holding on to its nuclear weapons or embraces a new future. North Korean leader Kim Jong-il should take President Obama's statements seriously and make a wise choice. Although North Korea staged military provocations in the Yellow Sea in addition to the second nuclear test, the door to dialogue is still open. If the North rejects Obama's offer for dialogue, the international community will have no choice but to take stick measures.

FEATURES

EXPERTS CITE WHY KOREANS REALLY SHUN U.S. CARS
(Dong-a Ilbo, November 16, 2009, Page 3)

By Reporters Chang Kang-myung and Kim Sang-woon

"Korea must further open up its car market to the U.S. All we're asking for is for our own car companies to be able to compete on a level playing field in the Korean market." This is what U.S. Trade

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Representative Ron Kirk told a dinner meeting of the Korea-U.S. Business Council Nov. 5.

"Korea has been bashing foreign cars by mobilizing non-tariff barriers. The Korea-U.S. free trade agreement must be revised." This is what 12 U.S. senators and Congressmen said in a letter to Kirk Nov. 6.

Many Korean experts say these comments show U.S. ignorance of the Korean market at the same time as its attempt to appeal to American voters.

Why American cars are unpopular in Korea

In a survey of 27 experts in Korea conducted by the industrial news desk of Dong-a Ilbo, 18 said U.S. cars are unpopular in Korea because of "problems with products." In particular, they noted that the overall quality of American cars is poor and that they are too big with low fuel efficiency. Kim Ki-chan, Chairman of the Korea Academy of Motor Industry, said, "American carmakers have focused on financing rather than the products themselves," adding, "Lack of competitiveness at plants can be seen in the vehicles."

Many critics also said American cars do not cater to Korean tastes. As for luxury vehicles, Koreans like a stately and dignified look, but American cars are seen as too decorative by Koreans. For example, a U.S. undersecretary-level official reportedly said, "Why would a vehicle unpopular in the U.S. sell well in Korea," after hearing about an American model popular in Korea while visiting Seoul.

In a survey of general Korean consumers, 16.8 percent cited poor design as why American cars do not sell well in Korea. Another 18.7 percent said they would buy other cars even if American models were sold 10 percent cheaper, citing poor design.

Notably, American cars with poor gas mileage have grown less popular around the world in the wake of the global financial crisis amid high oil prices last year and this year. Hyundai Motor and Kia Motors, with their strong lineup of smaller vehicles, have made great strides abroad, after General Motors and Chrysler underwent bankruptcy protection and Ford struggled due to a managerial crisis.

No notable trade barriers

Most experts also brushed aside the notion of trade barriers in Korea. On trade barriers other than tariffs, if any, nine (33.3 percent) cited car standards and regulations such as safety and environmental (concerns), while 10 (37 percent) noted consumer taste and public sentiment. Kang Cheol-goo, Director at the Korea Automobile Manufacturers Association, said, "Since countries have different climates and driving cultures, the standards and regulations for vehicle safety and the environment should be different," adding, "When Korean automakers export cars, they also meet the standards of the importing country. These cannot be considered trade barriers."

As for consumer taste and public sentiment, another expert said, "They could be an obstacle to selling American cars in Korea, but I wonder if we can call it a trade barrier." "Should the Korean government go so far as to stage a campaign to promote purchase of U.S. cars?" An import car industry source said, "In the past, there were practical barriers, including a ban on advertisements for imported cars," adding, "I don't see any notable barriers other than tariffs." Four experts (14.8 percent) cited no notable trade barriers.

Sales of European, Japanese cars surging

Critics also said that even if there are trade barriers in the Korean auto market, European and Japanese cars are seeing their market shares rise. According to the Korea Automobile Importers and Distributors Association, imported vehicle sales in Korea increased

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from 19,481 units in 2003, or 1.9 percent of the market, to 61,648 last year, or 6 percent. Imported vehicle sales have continued to set new records every year since 2002.

The sales volume of European cars in Korea increased from 12,535 units (1.2 percent) in 2003 to 32,756 (3.2 percent) last year. Over the same period, that of Japanese cars surged from 3,774 (0.4 percent) to 21,912 (2.1 percent) units. The sales volume of American cars marginally increased from 3,172 (0.3 percent) to 6,980 units (0.7 percent) over the same period. The new BMW series sold 1,578 vehicles in Korea from January through October this year, the fourth largest by volume in a global market. The same tariff rate is levied on all import vehicles.

Except for GM-Daewoo Auto & Technology's vehicles, U.S. car brands in Korea brought through official import channels are Chrysler, Jeep and Dodge imported by Chrysler Korea, Ford and Lincoln by Ford Korea, and Cadillac and Saab by GM Korea.

FULL TEXT OF OBAMA'S INTERVIEW WITH YONHAP NEWS AGENCY
(Yonhap News, November 13, 2009)

The following is the full text of U.S. President Barack Obama's interview with Yonhap News Agency.

(President Obama) I am very much looking forward to my trip to Asia and visiting Seoul and meeting with President Lee (Myung-bak). President Lee and I have established a very strong working relationship, which I think is quite evident in our close coordination on global issues, particularly on North Korea. So let me first start with your question on North Korea.

(Yonhap) Mr. President. What is your view of North Korea's nuclear and missile programs? Are you prepared to hold bilateral talks with North Korea? Also, do you think the Six-Party Talks will work to denuclearize the North or do you have any other solutions in mind if the talks fail?

(President Obama) North Korea's nuclear and missile capabilities are a grave concern, not only to the Republic of Korea and the United States, but to the international community. This is an issue that President Lee and I have discussed in depth and we will hold consultations on this and other subjects in Seoul later this month. President Lee and I are in full agreement on the need to achieve a

comprehensive resolution of the nuclear, missile, and proliferation problems, and cooperation between our two governments is extremely close. We believe the Six-Party Talks are the best framework for reaching peaceful resolution and that the September 2005 Joint Statement clearly lays out the goals we must achieve. We are open to a bilateral meeting as part of the Six-Party process if that will lead to an expeditious resumption of the denuclearization negotiations.

North Korea's attempt to acquire weapons of mass destruction and the means to deliver them is destabilizing and represents a threat to peace and security. This is why the United Nations Security Council adopted strong measures under Resolution 1874 and why the UN members states are enforcing the provisions of those resolutions. Pursuit of nuclear weapons and missile delivery systems makes North Korea and the region less secure, whereas negotiations in the Six-Party process to achieve the peaceful denuclearization of the Korean Peninsula can bring security and prosperity to North Korea and the region.

This is the choice that North Korea faces. North Korea has the opportunity to move towards acceptance by the international community if it will comply with its international obligations and live up to its own commitments. By taking irreversible steps towards the complete elimination of its nuclear program, North Korea will be following the peaceful path towards security and respect.

(Yonhap) You supported South Korea's bid to host the G-20 summit in November next year. What kind of role do you expect South Korea to

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play in the G-20 forum?

(President Obama) South Korea's emergence as host of the G-20 leaders meeting next year is the latest evidence that South Korea is playing an important leadership role on the world stage. President Lee has done a superb job steering South Korea's economy through the economic downturn and now on an upward trajectory, and I am looking forward to his continued strong leadership in the Asia Pacific region on the economic policy front.

South Korea's hosting of the G-20 next year is also a prime example of the economic success it has had in a relatively short period of time and its movement into the ranks of the world's leading economies. South Korea's success serves as a prime example for still developing economies and its hosting of the G-20 next year is demonstrative of the global leadership role that it is undertaking. I am pleased that South Korea has agreed to host the G-20 meeting next year and the US will help support their efforts to ensure that the meeting is a success.

SURVEY: 73 PERCENT OF RESPONDENTS SAY THEY "WILL NOT BUY AMERICAN CARS EVEN IF PRICES FALL 10 PERCENT"
(Dong-a Ilbo, November 16, 2009, Front Page)

By Reporters Chang Kang-myung and Kim Sang-woon

With U.S. President Barack Obama's visit to the ROK drawing nearer, some U.S. lawmakers argue, "The ROK should open its doors wider to U.S. vehicles." It has been found, however, that ROK consumers and experts on commerce and automobiles believe, "The reason why U.S. vehicles do not sell well in the ROK is due to their lack of competitiveness." Furthermore, seven out of ten ROK consumers answered that even if U.S. car prices fell by 10 percent, they would still purchase Korean, Japanese or European cars, instead of U.S. vehicles.

The industrial news desk of Dong-a Ilbo and EnClean.com, a SK Energy portal site, conducted a survey of 513 members of the Internet site by e-mail on November 10-11. According to the results, 49.4 percent of the respondents cited problems with products - such as design (16.8 percent), fuel efficiency (12.7 percent), functions (7.4 percent) and brand image (7.2 percent) - as why U.S. cars do not sell well in the ROK. 90.8 percent of those surveyed possess their own cars, and among them, 41.2 percent have mid- and large-size cars

with engine displacement of more than 2,000cc.

A total of 72.9 percent of the respondents said that even if U.S. car prices dropped by 10 percent, they would still buy Korean, European or Japanese vehicles. Based on this result, it can be predicted that even if the current eight-percent tariff on U.S. autos is eliminated, their sales in the ROK will not increase much. The car import industry estimates that even if the ROK-U.S. Free Trade Agreement (FTA) comes into force and removes tariffs on U.S. cars, their actual market prices will drop by only 4 to 6 percent. Lee Hang-koo, a researcher at the Korea Institute for Industrial Economics and Trade, pointed out, "Even in the U.S., Asian vehicles rank high in consumer satisfaction surveys."

Regarding the auto section of the ROK-U.S. FTA, 12 (44.4 percent) out of 27 experts of automobiles and commerce, including 12 officials in the car import industry, said, "The levels of market opening in the ROK and the U.S. are similar," and 9 people (33.3 percent) responded, "The ROK's market opening level is higher." Only two answered, "The U.S.'s market opening level is higher."

Last year, the ROK exported over 590,000 assembled cars to the U.S. while the U.S. exported only 8,864 assembled cars to the ROK. The share of U.S. cars in the ROK market has remained below 1 percent for several years.

Some experts argue that domestic sales by GM Daewoo, the automaker in which General Motors has a 70.1 percent stake, should be counted into the U.S.'s share of the ROK auto market. In the ROK market

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alone, GM Daewoo sold over 110,000 cars (market share: 10.1 percent) last year. When Hyundai-Kia Automotive Group's 6 to 8 percent market share in the U.S. is reported, the company's output in Alabama is counted in. Lee Sang-ho, a professor of economics at Sejong University, said, "Locally produced GM Daewoo (vehicles should be included in the sales of U.S. automakers," adding, "The ROKG should actively publicize this."

STEPHENS